

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
LITTLE SALMON RIVER ESTATES**

For Platted Lands in T20N, R1E, SEC. 35, T19N, R1E, SEC. 2, Boise Meridian, Adams County, Idaho.

THIS DECLARATION made this 1st day of February, 1996, by M.C. Properties L.L.C. hereinafter called "Declarant".

WHEREAS Declarant is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community; and,

WHEREAS Declarant desires to provide for the preservation of the values and amenities in said Community, and to this end, desires to subject the real property described in Article III to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are intended for the mutual benefit of said property and of each owner of a portion thereof;

NOW, THEREFORE, the Declarant declares that the real property in Article III, and such additions thereto as may be made pursuant to Article III hereof, is and shall be held, transferred, sold, conveyed and occupied subject to covenants, conditions, easements, charges, and liens hereinafter set forth.

ARTICLE I

DECLARATION

Declarant hereby declares that each lot, parcel or portion of Little Salmon River Estates Subdivision, is and shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms, covenants, conditions, easements and restrictions set forth herein: (I) shall run with the land constituting the Property, and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; (II) shall inure to the benefit of every lot, parcel or portion of the Property and interest therein; (III) shall inure to the benefit of and be binding upon Declarant, Declarant's successor in interest and each Grantee or Owner and such Grantee's or Owner's respective successors in interest; and (IV) may be enforced by Declarant, by any Owner or such Owner's successors in interest or by the Association as hereinafter described.

Notwithstanding the foregoing, no provision of this Declaration shall be construed as to prevent or limit Declarant's right to complete development of the Property and to construct improvements thereon, nor limit Declarant's right to maintain model homes, construction, sales or leasing offices or similar facilities (temporary or otherwise) on any portion of the Property, nor Declarant's right to post signs incidental to construction, sales or leasing activities.

ARTICLE II

DEFINITIONS

2.01 Architectural Control Committee: The term "Architectural Control Committee" shall mean the committee created pursuant to Article VIII.

2.02 Articles: "Articles" shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

2.03 Assessments: "Assessments" shall mean those payments required of Association Members, including Regular, Special and Limited Assessments of the Association as further defined in this Declaration.

2.04 Association: "Association" shall mean the Little Salmon River Estates Property Owners' Association.

2.05 Association Rules: "Association Rules" shall mean those rules and regulations promulgated by the Association governing conduct upon and use of the Property under the jurisdiction or control of the Association, the imposition of fines and forfeitures for violation of Association Rules and regulations, and procedural matters for use in the conduct of business of an Association.

2.06 Board: "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

2.07 Bylaws: "Bylaws" shall mean the Bylaws of the Association.

2.08 Committee: The term "Committee" shall mean the Architectural Control Committee.

2.09 Common Areas and Facilities: The term "Common Areas and Facilities" shall mean all real property, fixtures, personal property and improvements owned, leased or otherwise held now or in the future by the Association, including but not necessarily limited to the following:

Roadways known as Kimberland Drive and Syringa Drive.

2.10 Community: The term "Community" as used herein shall refer to the Existing Properties considered as a whole.

2.11 Declarant: The term "Declarant" shall mean M.C. Properties L.L.C., an Idaho limited liability company, or its successors in interest, or any person or entity to whom rights under this Declaration are expressly transferred by M.C. Properties L.L.C.

2.12 Declaration: The term "Declaration" shall mean this Declaration of Protective Covenants, Conditions and Restrictions contained herein.

2.13 Development: The term "Development" shall include the Existing Properties and any additional lands brought within the scheme of this Declaration.

2.14 Dwelling, Dwelling Units: The terms "Dwelling" and "Dwelling Units" are interchangeable and shall mean any building or portion thereof located on a parcel and designed and intended for use and occupancy as a single family residence.

2.15 Existing Properties: The term "Existing Properties" shall mean that real property described in Article III.

2.16 Improvements: The term "Improvements" shall include buildings, outbuildings, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs and all other structures or landscaping improvements of every type and kind.

2.17 Lot: The term "Lot" shall mean any parcel of real property designated for single family residential use on the Recorded plat of the Existing Properties.

2.18 Owner: The term "Owner" shall refer to that person or entity or those persons or entities who hold the ownership interest in any Lot as shown on the records of the County Recorder, Adams County, Idaho; such term shall also include any person, persons, entity or entities who succeed to such recorded interest by any means, including buyers under executory contracts of sale and excluding those holding an interest merely as security for the performance of an obligation.

2.19 Record, Recorded: The term "Record" or "Recorded" shall mean with respect to any documents, the recordation of said document in the Office of the County Recorder, Adams County, Idaho.

2.20 Residence: The term "Residence" shall mean a building or buildings, including any garage, carport or similar outbuilding, used for residential purposes.

2.21 Single Family Residential Use: The term "Single Family Residential Use" shall mean the occupation and use of a single family dwelling in conformity with this Declaration and any requirements imposed by applicable zoning laws or other state or municipal agencies, rules or regulations.

2.22 Structure: The term "Structure" shall include buildings, outbuildings roads, driveways, parking areas, fences, walls, stairs, decks and poles.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION

3.01 Existing Property: The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this declaration is located in Adams County, Idaho and is more particularly described as follows:

See Exhibit "A" attached hereto.

All of the above-described property shall hereinafter be referred to as "Existing Property."

3.02 Additions to Existing Property: The Declarant, and its assigns, shall have the right to bring within the scheme of this Declaration additional lands in Adams County, Idaho, in future stages of the Development.

The additions authorized under this section shall be made by filing of record a Supplementary Declaration of Protective Covenants with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property. Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this declaration as may be necessary to reflect the different character, if any, of the added properties and as not inconsistent with the scheme of this Declaration. In no event however, shall such Supplementary Declaration revoke, modify or add to the covenants and restrictions established by this Declaration within the Existing Properties. Upon recordation of such Supplementary Declaration, the additions authorized under this section shall thereafter be treated in all respects as Existing Properties.

No permission shall be necessary from the owners of Existing Property before the Declarant may bring such lands within the scheme of this Declaration .

ARTICLE IV

PROTECTIVE COVENANTS

4.01 Land Use and Living Units: All of the subject lots in the existing Property shall be used and occupied solely for single family residential purposes, or agricultural purposes, as allowed herein. Pending sale of Declarant's lots, and regarding lots otherwise owned which are placed under Declarant's management, Declarant and Declarant's successors may not split, divide or subdivide lots into smaller lots or parcels than indicated on the Record Plat of Little Salmon River Estates Subdivision property, in the office of the County Recorder of Adams County, Idaho.

All single family residences shall be subject to the following conditions and limitations:

A. No buildings other than one detached residence, a private garage for the use of the occupants of such residence, and such other usual and appropriate outbuildings strictly incidental and appurtenant to a private residence, or the care and keeping of livestock, shall be erected or maintained on any parcel. No use whatsoever shall be made of any parcel herein other than as the site and grounds of a private residence. The term "private residence" as used herein is intended to exclude every form of multi family dwelling, boarding or lodging house and the like, but is not intended to exclude a guest house for the entertainment of social guests, or servants or caretakers' quarters, for persons employed upon the premises, if such guest housing is allowed by applicable Adams County Ordinances. There shall not be more than a maximum of four (4) buildings allowed on any lot. No manufactured, mobile nor prefabricated home is allowed.

B. No structure of a temporary character, to specifically include mobile home, trailer, recreation vehicle, basement, shack, garage, barn or other outbuilding, shall be used on any lot at any time as a residence, either temporarily or permanently; nor shall any residential structure be moved on to any lot from any other location, unless the prior written approval of the Architectural Control Committee is obtained, such approval to be obtained in the same manner as for new construction.

C. Visitors and guests may park a camper, motor home or trailer in the Subdivision for a reasonable term, not to exceed two weeks consecutive duration nor more than a total of forty-five (45) days each calendar year, except with special permission of the Architectural Control Committee.

D. A residence shall contain a minimum of 1,200 (800 on ground floor) square feet of total living area; and all construction must be of good quality and done in a good workmanlike manner.

E. All buildings shall be placed within the "building envelopes", if applicable, depicted on the Subdivision's site plan, and shall not in any case be located within fifty (50) feet of a street right-of-way or within fifty (50) feet of an adjoining property line, except may be within twenty (20) feet of a perimeter property line.

F. No Improvements which will be visible above ground or which will ultimately affect the visibility of any above ground improvement shall be built, erected, placed or materially altered on, or removed from, the Property unless and until the building plans, specifications and plot plan, or other appropriate plans and specifications, have been reviewed in advance by the Architectural Committee and the same have been approved in writing. The procedures for review are more fully set forth in Article VIII. The review and approval or disapproval may be based upon the following factors: size, height, design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color materials, physical or aesthetic impacts on other properties, artistic conformity to the terrain and other improvements on the Property, and any and all other factors which the Architectural Committee, in its reasonable discretion, deems relevant. Said

requirements as to the approval of the architectural design shall apply only to the exterior appearance of the improvements. This Declaration is not intended to serve as authority for the Architectural Committee to control the interior layout or design of residential structures except to the extent incidentally necessitated by use, size and height restrictions.

G. Detached garages, guest quarters, barns, outbuildings and storage sheds shall be allowed, if in conformity with the provisions of this Declaration and the applicable ordinances of Adams County. Garages, storage sheds, patio covers, and detached patio covers, shall be constructed of, and roofed with, the same or compatible materials, and with similar colors and design, as the residential structure on the applicable Lot if such improvements are visible from a public or private street or adjacent Lots.

H. All access driveways shall have a wearing surface approved by the Architectural Committee and shall be graded to assure proper drainage. Where driveways intersect County roads, design approval of the approach shall be obtained from the Adams County Building Inspector. A ten (10) foot setback from property lines shall be required.

I. Each residential structure shall have a street number discreetly placed at or near the street entrance to the Lot. All mailboxes and stands, if any, will be of consistent design, material and coloration.

J. Exterior lighting, including flood lighting shall be part of the architectural concept of the improvements on a Lot. Fixtures, standards and all exposed accessories shall be harmonious with building design and shall be approved by the Architectural Committee. Lighting shall be restrained in design and excessive brightness shall be avoided. For instance, flood lights during snowfall is fine, while during a clear dark night ruins stargazing.

K. The maximum height of any building shall be in compliance with the applicable Adams County land use or zoning ordinances, but shall not exceed thirty-two (32) feet in height, measured from finished grade, adjacent to the highest point of any roofline.

L. Roofs shall be required to be of pitched design and shall be covered with non-flammable materials (e.g. non-reflective metal or tile). Fire retardant wood shingles or shakes shall be discouraged, but may be used with prior consent of the Architectural Committee.

M. No exterior surfaces of any structure shall be painted other than earth tones (excluding trim) and no reflective roofing material may be exposed on any lot. All exterior walls of any structure shall be of natural materials such as wood, stained wood, rock or brick, but may be a manufactured product, such as wood manufactured

siding. Prior to construction, samples of such materials must be approved by the Architectural Control Committee.

N. TV Satellite dishes (larger than 24 inches) should be screened from view of the road and other homes, if possible, and be first approved by the Architectural Control Committee.

4.02 Common Areas: The common areas shown on the recorded plat of the subdivision are provided for the use and enjoyment of the community of Little Salmon River Estates Subdivision and their immediate families only. Ownership of the common areas should be transferred from the Declarant to the Association, which should be responsible for the maintenance, upkeep and preservation of such areas.

Control of the use of these common areas is vested in the Board, which may promulgate rules regarding the use of such areas and which may suspend or revoke an owner's right of use of such areas for violations of such rules.

Use of the common areas shall be at the user's own risk, and by the use thereof, said user assumes such risk.

4.03 Landscaping: All lots shall be properly cared for at all times so as to maintain a good appearance to the public view. The owner of each such lot, upon erecting a single family residence or other approved structure thereon, shall provide and maintain minimal natural landscaping on the rear and side portions of the lot as well as the front lot area. All disturbed areas shall be re-established with native vegetation. In the event of neglect to properly maintain and care for any such lot, or to provide for such minimal landscaping, the Architectural Control Committee shall have the right, but shall have no obligation, to have the necessary work performed on any parcel to keep it from presenting an unsightly appearance, the charges for work so performed to be billed to, and paid for by, the owner or owners of such lot and become a lien upon the property.

All landscaping, exterior structure surfaces, dimensions and location on the lot shall be approved by the Architectural Control Committee prior to commencement of any work thereon. Planting trees is encouraged on Lots without trees. Proper planning is required so matured trees do not unreasonably block the views of adjacent lot owners. No structure or landscaping shall be approved which shall detract from the attractiveness or desirability of the Little Salmon River Estates Subdivision.

4.04 Animals: Except as hereinafter provided, no animals, livestock or poultry of any kind shall be raised, bred or kept on any lot in the Development other than dogs, cats or other household pets, provided that the same are not kept, bred or maintained for commercial purposes. No more than two (2) adult dogs will be allowed per lot. The same shall not be allowed to run at large and must be kept and maintained upon the property of the owner thereof. Idaho Code allows for the destruction of dogs if chasing cattle or livestock.

Horses or llamas may be kept and maintained on any lot more than one thousand (1000) feet north of Phase I and Phase II of Meadow Creek Subdivision, provided no more than a maximum total

of two (2) such "large" animals are kept and maintained on any lot.

Special arrangements may be made for one or two lot owners to provide horse boarding for members of the association. Approval from the Architectural Control Committee shall be required for any variations from these guidelines.

These restrictions on animals shall not apply to lots owned by Declarant or Declarant's successors or to lots otherwise owned which are placed under Declarant's management.

4.05 Garbage, Refuse Disposal and Storage of Materials:

A. No parcel shall be used or maintained as a dumping ground for rubbish, trash, junk or other waste materials. All such waste of this nature must be kept in sanitary containers out of sight of the street and secure from access by domestic or wild animals and must be removed from the parcel at least once each week. All equipment for the storage or disposal of such waste material shall be maintained in a clean and sanitary condition at all times.

B. All snowmobiles, extra vehicles, boats, boat trailers, travel trailers, camper trailers, motor homes, automotive campers or any other similar property stored on any lot shall be stored on the rear portion of such lot and, if such storage is intended to be of a permanent nature, said property shall be stored in an enclosed building of permanent design.

C. No building materials of any kind shall be placed or stored upon any lot until the owner thereof is ready and able to commence construction, and then such materials shall be placed and kept neatly within the property lines of such lot.

D. No burning of any household garbage, trash or other noxious refuse shall be permitted on any lot unless in a contained structure with spark eliminator (Note: extreme caution during fire season). Any other burning shall take place only with proper notification to the New Meadows Rural Fire Department and any other agency or authority with jurisdiction. The policies, practices and instructions of such entity shall be strictly followed.

4.06 Nuisances: Discharge of firearms is strictly prohibited and no one shall perform in said community any activity which is noxious or offensive or an annoyance or nuisance to the owner of any lot, or involves the pollution of the earth or water of, or the air over, any part of the Development or creates noxious, offensive, annoying or dangerous odors or noises or visual or tactile conditions or creates or leaves a residue of non-degradable substances.

4.07 All Terrain Vehicles: Except as associated with agricultural activities, all terrain vehicles, snow machines, motorcycles and other similar motorized vehicles may be operated within the Subdivision only for direct ingress and egress from the owner's lot to areas outside of the Subdivision, and must obey posted speed limits and be courteous to horseback riders. Whether a violation of this sub-paragraph has occurred shall be determined by the Board or the Architectural

Control Committee.**4.08 Prohibited Lot Uses:**

A. There shall be no mining, smelting or milling of ores or similar mineral operations within the Community.

B. No outdoor privy or any common cesspool shall be installed on any lot at any time except as required during residence construction.

C. Nothing shall be done or kept on any lot by any person which will increase the rate of insurance on any other lot or which will result in the cancellation of any insurance or which constitutes a violation of any law.

D. No excavation shall be made on any parcel except as is necessary for the erection of approved structures, in which case the same shall be properly filled within thirty (30) days of the completion of the underground work.

4.09 Utilities: The Declarant shall provide underground electrical power service to the Community as a whole. The purchaser and owner of each parcel agrees to use the service so provided. Private electrical generating systems shall not be permitted for domestic electrical service, except as a backup system in case of primary electrical service failure. Solar panels are allowed but need to be approved by the Architectural Control Committee. All electrical power lines, telephone lines and other utility service lines shall be underground from each individual parcel line to the point of use on each parcel. Overhead lines and utility poles shall not be permitted, except during the construction phase.

4.10 Weed Control: All lot owners shall conform to the county ordinances and state laws relating to noxious weed control and if they fail to do so the Association or Architectural Committee, or their agents, shall have the right to come on the property and do what is necessary to make the property conform to such laws and ordinances at the lot owner's expense.

4.11 Signs: No signs of any kind containing more than six (6) square feet shall be displayed to the public view on any lot. Entrances to the area shall be signed in such a manner as to advise hunters and motorists of a residential community. One sign identifying the Contractor during construction or advertising a house or lot for sale shall be permitted per lot. The sign shall not be placed more than forty eight (48) inches above the prevailing ground plane, nor closer than twenty (20) feet to a street or road right-of-way.

4.12 Sight Distance at Intersections: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within fifty (50) feet from the property corners.

No trees shall be permitted to remain within such distance of such intersections unless the

foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

4.13 Fences: No fence, wall or hedge higher than four (4) feet, six (6) inches shall be erected or maintained on said lots or any thereof; save and except, however, with the consent in writing of all adjoining lot owners, first had and obtained, a fence, wall or hedge higher than four (4) feet, six (6) inches, but in no event higher than six (6) feet, may be erected and maintained on any lot. Provided, however, this section is subject to the limitations set forth in Section 4.12 above.

All exterior, interior or cross fencing shall first be approved by the Architectural Control Committee.

All perimeter lots that have an existing fence on the perimeter boundary of the subdivision are required to maintain the existing fence, or replace it with a fence sufficient to keep range animals out of the subdivision.

4.14 Drainage: There shall be no interference with the established drainage pattern over any portion of the Property unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Declarant, or that drainage which is shown on any plans approved by the Architectural Control Committee.

4.15 Parking: Parking shall be accommodated on Lots with no parking of vehicles allowed on private or public streets. The improvements on each Lot shall provide at least a two-car garage.

4.16 Exemption of Declarant: Nothing contained herein shall limit the right of Declarant to complete excavation, grading and construction of improvements to and on any portion of the Property owned by Declarant or to construct such additional improvements as Declarant deems advisable in the course of development of the Property so long as any Lot in the Property remains unsold. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Declarant's business of completing the work and disposing of the same by sale, lease or otherwise. Declarant shall have the right at any time, prior to acquisition of title to a Lot by a purchaser from Declarant, to grant, establish and/or reserve on that Lot additional licenses, reservations and rights-of-way to utility companies or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Declarant may use any structures owned by Declarant on the Property as model home complexes or real estate sales or leasing offices. Declarant need not seek or obtain Architectural Control Committee approval of any improvement constructed or placed by Declarant or an affiliate of Declarant on any portion of the Property owned by Declarant or an affiliate of Declarant. The rights of Declarant hereunder may be assigned by Declarant to any successor in interest in connection with Declarant's interest in any portion of the Property by an express written assignment recorded in the Office of the Adams County Recorder.

4.17 Wetlands: The designated Wetlands within the Subdivision shall be treated and

managed in accord with regulations of the U.S. Army Corp of Engineers. No construction other than fences will be allowed in Wetlands areas except construction which is approved by the U.S. Army Corp of Engineers.

4.18 Tree Cutting: The cutting of any live trees more than eight (8) inches in diameter shall require prior approval from the Architectural Control Committee.

ARTICLE V

LITTLE SALMON RIVER ESTATES PROPERTY OWNERS' ASSOCIATION

5.01 Organization: The Little Salmon River Estates Property Owners' Association shall be initially organized by Declarant as an Idaho non-profit corporation. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor By-Laws shall for any reason be amended or otherwise changed so as to be inconsistent with this Declaration. In the event that there should exist any ambiguity in any provision of the Articles or By-Laws then such provision shall be construed, to the extent possible, so that such provision shall be interpreted so as to be consistent with the provisions of this Declaration.

5.02 Membership: Every person or entity who is a recorded Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, the fee ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. Transfer of a Lot shall automatically transfer membership in the Association.

5.03 Voting Rights: The Association shall have one (1) class of voting members, which shall consist of all Owners, who shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot all such persons shall be entitled to all rights and privileges of membership. The vote for such Lot shall be exercised as its Owners collectively determine but in no event shall more than one (1) vote be cast with respect to any Lot.

5.04 No Fractional Votes; No Severance of Voting Rights: Fractional votes shall not be allowed. In the even that joint Owners are unable to agree among themselves as to how their vote or votes should be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Lot to which it is appurtenant except that any Owner may give a revocable proxy or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Lot concerned for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer or conveyance of such Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner subject to any assignment of the right to vote to a lessee, mortgage or beneficiary as provided herein.

5.05 Board of Directors and Officers: The affairs of the Association shall be conducted and managed by the Board of Directors ("Board") and such officers as the Board may elect or appoint

in accordance with the Articles and By-Laws as the same may be amended from time to time. The Board of the Association shall be elected in accordance with the provisions set forth in the Association By-Laws.

5.06 Powers and Duties of Association:

A. Powers: The Association shall have all the powers of a corporation organized under the nonprofit corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, By-Laws and Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Idaho law and under this Declaration and the Articles and By-Laws and to do and perform any and all acts which may be necessary to, proper for or incidental to the proper management and operation of the Associations affairs and the performance of the other responsibilities herein assigned without limitation:

(1) Assessments: The power to levy Assessments on any Owner or any portion of the Property and to force payment of any Assessments all in accordance with the provision of this Declaration.

(2) Right of Enforcement: The power and authority from time to time in its own name, on its own behalf or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or By-Laws, including the Association Rules adopted pursuant to this Declaration and to enforce, by injunction or otherwise, all provisions hereof.

(3) Delegation of Powers: The authority to delegate its powers and duties to committees, officers, employees or to any person, firm or corporation. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by any person or entity of any such duty or power so delegated.

(4) Association Rules: The power to adopt, amend and repeal, by majority vote of the Board, such rules and regulations as the Association deems reasonable provided, however, that any Association Rules shall apply equally to all Owners and shall not be inconsistent with this Declaration, the Articles or By-Laws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between such Association Rules and any provisions of this Declaration or the Articles or By-Laws, the provisions of the Association Rules shall be deemed to be superseded by the provision of this Declaration, the Articles or the By-Laws to the extent of any such inconsistency.

(5) Emergency Powers: The power, exercised by the Association or by any person authorized by it, to enter upon any property (but not inside any building constructed thereon) in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance of construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable and any damage caused thereby shall be repaired by the Association.

(6) Duties: In addition to duties necessary and proper to carry out the powers delegated to the Association by this Declaration and the Articles and By-Laws, without limiting the generality thereof, the Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

(a) Insurance: Obtain insurance from reputable insurance companies authorized to do business in the State of Idaho and maintain in effect any insurance policy the Board deems necessary or advisable including, without limitation, directors and officers liability insurance.

(b) Rule Making: Make, establish, promulgate, amend and repeal such Association Rules as the Board shall deem advisable.

(c) Architectural Control Committee: Appoint and remove members of the Architectural Control Committee subject to the provisions of this Declaration.

ARTICLE VI

ASSESSMENTS

6.01 Covenant to Pay Assessments: By acceptance of a deed to any Lot in the Property, each Owner of such Lot hereby covenants and agrees to pay, when due, all Assessments or charges made by the Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of this Declaration or other applicable instrument.

A. Assessment Constitutes Lien: Such Assessments and charges, together with interest at a rate established by the Board, costs and reasonable attorney's fees which may be incurred in collecting the same shall be a charge on the land and shall be a continuing lien upon the lot against which each such Assessment or charge is made.

B. Assessment is Personal Obligation: Each such Assessment, together with interest at a rate established by the Board, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such property beginning with the time

when the Assessment falls due. The personal obligation for delinquent Assessments shall remain such Owner's personal obligation regardless of whether he remains an Owner.

6.02 Regular Assessments: All Owners, including the Declarant, are obligated to pay Regular Assessments to the Association on a schedule of payments established by the Board.

A. Purpose of Regular Assessments: The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association and the Architectural Control Committee including, legal and attorney's fees and other professional fees for the conduct of their affairs.

B. Computation of Regular Assessments The Association shall compute the amount of its Expenses on an annual basis. The initial assessment shall be One Hundred and 00/100 Dollars (\$100.00) per year payable on or before the first day of the year, commencing in 1997, to become a lien on the lot if not paid by February 28 of the same year.

Thereafter, the computation of Regular Assessments shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of an Association.

C. Amounts Paid by Owners: The Board can require in its discretion, or as provided in the Articles or By-Laws, payment of Regular Assessments in monthly, quarterly, semiannual or annual installments. The Regular Assessment to be paid by any particular Owner, including Declarant, for any given fiscal year shall be computed as follows:

Each Owner shall be assessed and shall pay an amount computed by multiplying the Association's total estimate of annual Expenses, including reserve fund accumulation for common area upkeep and maintenance, by the fraction produced by dividing the Lots attributable to the Owner by the total number of Lots in the Property.

6.03 Special Assessments:

A. Purpose and Procedure: In the event that the Board shall determine that its regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of the Association for any reason, including but not limited to attorney's fees and/or litigation costs, other professional fees or for any other reason, the Board thereof shall determine the amount necessary to defray such Expenses and levy a Special Assessment which shall be computed in the same manner as Regular Assessments. No Special Assessment shall be levied without the vote or written assent of a majority of the votes of the Members of the Association present at a properly scheduled meeting or represented by proxy. The Board shall in its discretion determine the schedule under which such Special Assessment will be paid.

B. Consistent Basis of Assessment: Every Special Assessment levied by and for an Association shall be levied and paid upon the same basis as that prescribed for the levying and payment of Regular Assessment for the Association.

6.04 Limited Assessments: Notwithstanding the above provisions with respect to Regular and Special Assessments, a Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's lot into compliance with the provisions of the governing instruments for the Property.

6.05 Uniform Rate of Assessment: Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Lot for all Members of the Association.

6.06 Assessment Period: Unless otherwise provided in the Articles or By-Laws, the Assessment period shall commence on January 1 of each year and terminate December 31 of the year.

6.07 Notice and Assessment Due Date: Ten (10) days prior written notice of Regular and Special Assessments shall be sent to the record Owner of every Lot subject thereto. Regular Assessment or Special Assessment shall become delinquent if not paid within twenty (20) days after the levy thereof. Payment which is delinquent shall accrue interest at eighteen percent (18%) per annum calculated the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against a delinquent Owner and/or may foreclose the lien against such Owner's Lot as more fully provided herein. Each Owner is personally liable for Assessment, together with all interest, costs and attorney's fees.

6.08 Estoppel Certificate: The Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not, to the knowledge of the Association, a particular Lot Owner is in default under the provisions of this Declaration and further stating the dates to which any Assessments have been paid by the Owner.

6.09 Special Notice Requirements: Notwithstanding anything to the contrary contained in either the By-Laws or the Articles, written notice of any meeting called for the purpose of levying a Special Assessment, or for the purpose of obtaining a membership vote in connection with an increase in the Regular Assessment, shall be sent to all Members of an Association not less than fifteen (15) days nor more than thirty (30) days before such meeting.

ARTICLE VII

ENFORCEMENT OF ASSESSMENTS; LIENS

7.01 Right to Enforce: Each owner is and shall be deemed to covenant and agree to pay the Association each and every assessment provided for in this Declaration; and agrees to the

enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and condition of the Declaration, each Owner agrees to pay reasonable attorney's fee and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said owner. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law in equity, or without any limitation of the foregoing, by either or both of the following procedures:

A. Enforcement by Suit: By commencement of a suit at law against any Owner or Owners personally obligated to pay assessments, for such delinquent assessments as to which they are personally obligated. Any judgement rendered in any such action shall include the amount of the delinquency, together with interest thereon as provided for herein, costs of collection, court costs and reasonable attorney's fees in such amount as the Court may adjudge against the delinquent Owner. Suit to recover a money judgement for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

B. Enforcement by Lien: There is hereby created a claim of lien with power of sale, on each and every Lot to secure payment in the Association of any and all assessments levied against any and all Owners, together with interest thereon as provided for in this Declaration, fines imposed for violation of these Covenants, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees. Any time after the occurrence of any delinquency in the payment of any assessment, the Board or any authorized representative thereof may make a written demand on the delinquent Owner for payment. Each delinquency shall constitute a separate basis for a demand claim of lien, and any number of defaults may be included with a single demand or claim of lien any demand of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. If such delinquency is not paid within ten (10) days after delivery of such demand, the Board or its duly authorized representative may thereafter elect to file and record a Note of Delinquent Assessment on behalf of the Association against the Lot of the defaulting Owner. The amount of the assessment, plus any costs of collection, attorney's fees and interest assessed in accordance with this Declaration shall be a lien on the Owner's Lot from and after the time the Association records the Notice of Delinquent Assessment. Such Notice shall be executed and acknowledged by any officer of the Association and shall contain substantially the following:

1. The claim of lien made pursuant to this Declaration;
2. The name of the record Owner;
3. The legal description of the Lot against which claim of lien is made;
4. The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and attorney's fee (with any proper offset allowed); AND

5. The name and address of the trustee authorized by the Association to enforce the lien by public sale.

Upon recordation, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such lien shall have priority over all liens or claims created subsequent to the recordation of the Notice. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by the Idaho Code for the foreclosure of a deed of trust with power of sale, or in any manner permitted by law. The Board is hereby authorized to appoint its attorney, any officer or as director of the Association, or any Title Company authorized to do business in Idaho as Trustee for the purpose of conducting such power of sale foreclosure. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Lot Owners and shall secure payment of all sums set forth in the Notice, together with all sums becoming due any payable in accordance with this Declaration after the date of recordation of said notice. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any lot.

Each owner hereby expressly waives any objection to the enforcement and foreclosure of assessment liens in this manner. Upon the timely curing of any default for which a Notice was filed by the Board, the Board shall cause an officer of the Association for file and record an appropriate releases of such Notice in the Office of the County Recorder of Adams County, Idaho. No owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use or abandonment of his Lot. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a Notice of Delinquent Assessment, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said Notice, showing the date of the recordation thereof, has been mailed to the Owner of the Lot which is described in such Notice.

ARTICLE VIII

ARCHITECTURAL CONTROL

8.01 Purpose and Theme of Controls: It is the desire of the Declarant that design controls be implemented for all building improvements to insure that the overall excellence of Little Salmon River Estates Subdivision shall be maintained throughout its development. To this end, Architectural Control Committee (herein after referred to as the "Committee") will be established pursuant to Section 8.02 of this Article VIII to guide the site development and design of all structures and to aid the residential home builders to discover the opportunities and limitations of their building sites. All of the residential improvements will be encouraged to offer and diversity of types, sizes, and styles of architecture and yet will be required to conform to a total visual homogeneity.

Consistent use of earth tone colors and textures, natural woods and masonry materials will be encouraged to enhance the aesthetic features of the buildings in this mountain environment.

Passive solar design will be encouraged in the buildings where solar access is feasible. Care will be taken to protect solar and visual access rights to each building site.

The discretion hereinafter invested in the Committee will be exercised towards the end that high standards of workmanship and quality of materials will be maintained throughout the Development and that all improvements will be in harmony with and complement the natural landscape, topography and flora.

8.02 Architectural Control Committee: No building, fence, wall, structure or other improvement shall be commenced, erected, altered, placed or maintained upon any lot nor shall any exterior addition to or change or alteration therein be made, until plans and specifications showing the nature, kind, shape, height, materials and location of the same have been submitted to and approved in writing by the Architectural Control Committee, which shall be composed initially of David Hanson, Terry Hanson and Ron Hanson. If any member of the Committee resigns or is unable to act, the remaining members shall appoint his or her successor. Pending such appointment, the remaining members shall discharge the functions of the Committee. The Committee shall be comprised of three (3) members, who shall be appointed annually by the Board. A majority of the members shall be necessary for action. Meetings may be held by telephone conference. The Committee shall designate a Chairperson. The Board may elect to act as the Committee.

8.03 Documentation Required for Architectural Approval: No structure or improvement shall be considered or approved by the Committee until the parcel owner has submitted the following information by the Committee:

- A. Two (2) sets of plans and specifications for the proposed improvements;
- B. A site plan of the lot showing the location of all existing and proposed improvements, and which also identifies the location, size and type of all trees proposed to be removed;
- C. Drawings showing all exterior building elevations;
- D. A schedule of exterior materials and colors to be used on the proposed improvement; and,
- E. The owner's proposed construction schedule.

8.04 Basis for Approval or Disapproval: The Committee shall give its approval for the requested improvement only if:

- A. The owner or applicant shall have strictly complied with the requirements of Section 8.03 hereof;
- B. The Committee finds that the plans and specifications conform to the requirement of Article IV of this Declaration, and furthermore that the owner or applicant is in compliance with all of the provisions and requirements of this Declaration in its entirety; and

C. The Committee, in its sole and reasonable discretion, finds that the proposed improvement is compatible with the theme of this Development and with the purposes intent of this Declaration as a whole as to quality of workmanship and materials, as to harmony of external design with existing structures, and as to location with respect to topography and finished grade elevations.

The Committee may waive submission of plans and specifications for approval where minor construction or a minor addition to an existing structure is involved which does not appear to materially affect the Development.

8.05 Form of Approval or Disapproval

A. All approvals given under Section 8.04 shall be in writing; provided, however, that as to any request for approval which has not been rejected within thirty (30) days from the date of submission thereof to the Committee, such approval will not be required and the provisions of this Section will be deemed to have been fully complied with.

B. In disapproving any plans and specifications or other documents the Committee shall specify, in writing, the deficiencies it has relied upon in rendering such disapproval and shall give the applicant the right and opportunity to resubmit his plans and specifications or other documents in amended form. The Committee shall thereafter reconsider such documents as if they were being submitted for the first time.

C. One set of plans and specifications as finally approved or disapproved shall be retained by the Committee as a permanent record.

D. Noting contained in this Section shall be deemed to relieve the owner of any parcel from complying with all of the provisions of this Declaration or with the provisions of all applicable building codes, zoning regulations, or other governmental regulations or laws governing the lands within this development.

8.06 Arbitration: In the event an owner or applicant disputes the decision of the Committee, said dispute shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect unless the Committee and the owner or applicant mutually agree otherwise. The arbitrators shall be governed and guided in their decision by this Declaration. If so, the award rendered by the arbitrators shall be final and shall be binding upon the parties to the same extent as if it had been rendered by a judge of a competent court. The owner or applicant shall file demand for arbitration with the committee and with the American Arbitration Association. Such demand shall be made within a reasonable time after the dispute in questions has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings on such dispute would be barred by the applicable statute of limitations.

8.07 Proceeding with Work: Upon receipt of approval from the Committee pursuant to Section 8.05 above, the owner shall as soon as practicable, satisfy all the conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction,

refinishing, alterations and excavations authorized by such approval, said commencement to be in all cases within one (1) year from the date of such approval. If the owner shall fail to comply with this Section, the approval given pursuant to Section 8.05 shall be deemed revoked, unless the Committee upon written request of the owner made prior to the expiration of said one (1) year period extends the time for such commencement. No such extensions shall be granted except upon a finding by the Committee that there has been no change in the circumstances upon which the original approval was granted.

8.08 Completion of Construction: The owner shall complete the construction authorized by the approval given in Section 8.05 within one (1) year after commencing construction thereof, except, and only for so long, as such completion is rendered impossible or would result in great hardship to the owner due to strikes, fires, acts of God, unusual wintertime conditions, actual inability of the owner to procure deliveries of necessary materials, or by other forces or persons beyond the control of the owner to prevent. Financial inability of the owner or his contractor to secure labor or materials or to discharge liens or attachments shall not be deemed a cause beyond his control.

8.09 Failure to Complete Work: Any construction which is not completed in a good and workmanlike manner, or in substantial conformity to the plans and specifications approved for it by the Committee, within the time limits provided by this Article, and where such failure is not excused by the provisions hereof, shall be deemed a nuisance, and the Committee shall have the right to enter upon the premises and to have such incomplete construction removed or to carry such construction forward to completion, and the costs and expenses incurred in such removal or completion shall constitute a lien upon the property under the Mechanic's Lien Law of the State of Idaho, such lien to attach as of the time of the commencement of the work involved in removing or completing the incomplete construction. Such lien may be enforced in the same manner as provided for the enforcement of mechanic's liens.

ARTICLE IX

ENFORCEMENT

9.01 Persons Entitled to Enforce: The provisions of this Declaration may be enforced by any of the following persons or entities in accordance with the procedures outlined herein:

- A. The Declarant, its successors and assigns;
- B. The Board;
- C. The Committee; and,

D. The owner or owners of any lot adversely affected, but only after each of the aforementioned persons or entities has been given demand to take enforcement action and has failed to do so, may prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any covenant, conditions, or restriction and either to prevent him or her or them from so doing to recover damages or other relief for such violation.

IN WITNESS THEREOF, said Declarant has executed this Declaration on this 1st day of February, 1996.

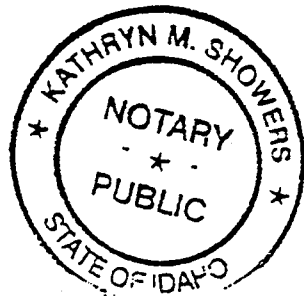
M.C. Properties, L.L.C.

By: David G. Hanson
DAVID G. HANSON, MANAGING MEMBER
Managing Member

STATE OF IDAHO,)
County of Valley) (ss.)

On this 1st day of February, 1996, before me, [Signature] a Notary Public in and for said State, personally appeared DAVID G. HANSON, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he subscribed the name of DAVID G. HANSON thereto as principal and his own name as attorney-in-fact.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



[Signature]
NOTARY PUBLIC FOR IDAHO
Residing at: Valley County
My Commission Expires: 11-25-2001

EXHIBIT A

161
Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29, LITTLE SALMON RIVER ESTATES SUBDIVISION, Adams County, Idaho, as set forth on the official plat thereof of record in Book 2 Plats page 18, Adams County Recorder's Office.

INSTRUMENT NO. 91063
State of Idaho)
County of Adams) ss.

Filed for record at the request of
Timberline Title & Escrow
45 min. past 1 o'clock P.M.
this 5 day of Nov, 1996
MICHAEL FISK, RECORDER
by Deputy Deputy

Fee \$ 66.00

SUPPLEMENTARY DECLARATION OF PROTECTIVE COVENANTS
TO THE
DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LITTLE SALMON RIVER ESTATES

Pursuant to the authority invested in me as Managing Member of the developer, M C Properties L.L.C., and pursuant to Article III, 3.02, Paragraph 4.04, Animals, is hereby amended to delete:

. more than one thousand (1000) feet north of Phase I and Phase II of Meadow Creek Subdivision,

The new paragraph shall now read:

Horses or llamas may be kept and maintained on any lot, provided no more than a maximum total of two (2) such "large" animals are kept and maintained on any lot.

In addition, Paragraph 6.02 is hereby amended to add "not", such that the paragraph shall now read:

All Owners, not including the Declarant, are obligated to pay Regular Assessments

Signed, filed and recorded this 10th day of November, 1997.

David G. Hanson
David G. Hanson, Managing Member
Little Salmon River Estates
Managing Member

STATE OF IDAHO, COUNTY OF VALLEY
On this day of NOVEMBER 6TH, 1997,
before me, a notary public in and for said State, personally
appeared DAVID G. HANSON

known to me to be the person whose name is
subscribed to the within instrument, and acknowledged to
me that HE executed the same.

[Signature]
Notary Public
Resident at WISHL
Comm. Expires 11-9-99
Idaho

INSTRUMENT NO. 93008
State of Idaho)
County of Adams) ss.

Filed for record at the request of
Timberline Title & Escrow
47 min. past 1 o'clock P.M.
this 10 day of Nov, 1997
MICHAEL FISK, RECORDER
by [Signature]
Deputy

Fee \$ 3.00

SUPPLEMENTARY DECLARATION OF PROTECTIVE COVENANTS
TO THE
DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
LITTLE SALMON RIVER ESTATES

Pursuant to the authority invested in me as Managing Member of the developer, M C Properties L.L.C., and pursuant to Article III, 3.02, Paragraph 4.04, Animals, the Declaration of Protective Covenants recorded at Instrument 91063, in Adams County, State of Idaho, is hereby amended to add the following to the second sentence of the first paragraph of that section:

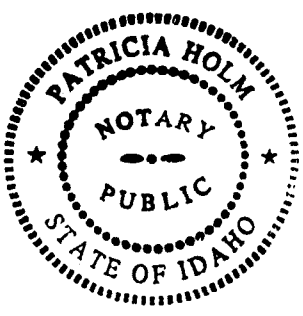
" , except that for Lot 2 of the Development, there shall be allowed no more than four (4) adult dogs."

Signed, filed and recorded this 14 day of October, 1999.

David G. Hanson
David G. Hanson, Managing
Member
M.C. Properties, L.L.C. and Little
Salmon River Estates

STATE OF Idaho)
COUNTY OF Adams)

On this 14 day of October, 1999, before me personally appeared David G. Hanson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as Managing Member of the M. C. Properties, L.L.C. and on its behalf.



Patricia Holm
NOTARY PUBLIC in and for the
State of Idaho, residing at
200 N. Adams therein.

INSTRUMENT NO. 97042
State of Idaho)
County of Adams) ss.
Filed for record at the request of
Timberline Title & Escrow
54 min past 3 o'clock P.M.
this 18 day of Oct, 1999
by Michael Fisk RECORDER
Peggy Pindel Deputy
Fee \$ 3.00